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Remarks/Arguments:

Reconsideration of the application is requested.

Claims 1-17 are now in the application. Claims 1, 2, and 4-16 have been amended. Claim 17 has been added. No new matter has been included.

In item 2 on page 2 of the above-identified Office action, the specification has been objected to because of the following informalities.

The Examiner stated that the specification appears to contain minor typographical and other errors. The specification has been amended so as to facilitate prosecution of the application. Therefore, the objection to the specification by the Examiner has been overcome.

In item 3 on page 4 of the above-identified Office action, claims 1, 11, and 13-15 been objected to because of the following informalities.

The Examiner stated that claims 1, 11, and 13-15 each include limitations such as "energy interface" and "supply energy" and

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similar phrases. The claims have been amended so as to
further clarify the claims. Therefore, the objection to
claims 1, 11, and 13-15 by the Examiner has been overcome.

In item 5 on page 5 of the above-identified Office action, claims 1-16 have been rejected as being indefinite under 35 U.S.C. § 112.

The Examiner alleges that the term "jump addresses" is generally unclear not having been described in the specification. Applicants respectfully disagree with the Examiner. The term "jump addresses" is defined on page 16, lines 18-25 of the specification. Therefore, the term "jump addresses" is defined in the specification. Accordingly, claim 8 has not been amended with respect to the "jump addresses".

Claims 1-16 have been amended so as to facilitate prosecution of the application. Therefore, the rejection has been overcome.

It is accordingly believed that the claims meet the requirements of 35 U.S.C. § 112, second paragraph. Should the Examiner find any further objectionable items, counsel would appreciate a telephone call during which the matter may be

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resolved. The above-noted changes to the claims are provided
solely for cosmetic or clarificatory reasons. The changes are
not provided for overcoming the prior art nor for any reason
related to the statutory requirements for a patent.

In item 7 on page 10 of the Office action, claims 1-16 have been rejected as being fully anticipated by Schneier et al. (U.S. Patent No. 5,768,382) (hereinafter "Schneier") under 35 U.S.C. § 102.

As will be explained below, it is believed that the claims were patentable over the cited art in their original form and the claims have, therefore, not been amended to overcome the references.

Before discussing the prior art in detail, it is believed that a brief review of the invention as claimed, would be helpful.

Claims 1, 11, 13, 14, 15, and 17 call for, inter alia:

a data interface adapted to be coupled to a terminal, for receiving one of part of an algorithm code and the complete algorithm code from the terminal, with the algorithm code concerning a processing of secrets, a power interface for receiving supply power from the terminal, and a

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volatile memory for storing the one of the part of
the algorithm code and the complete algorithm code
received via the data interface.

Schneier discloses game software (15). A game cartridge (21) includes a housing (19) and a memory interfacing with a game computer (14) via an I/O interface (25) in a conventional manner (column 13, lines 39-43 and 59-60). According to the embodiment of Fig. 4D of Schneier, the game cartridge (21) contains the game software (15) in volatile memory (23b) (column 13, lines 59-60). The volatile memory (23b) is connected to a power source (27) via a tamper switch (29). According to the embodiments of Fig. 4e, all game software data (excluding the encryption/decryption module 28) is encrypted and stored in non-volatile memory (23c), while the encryption/decryption keys and algorithms (encryption/decryption module 28) are stored in volatile memory (23d) (column 14, lines 17-21).

Thus, any action which triggers the tamper switch (29) causes an interruption in power and the encryption/decryption module (28) stored in the volatile memory (23d) to be erased. Without the encryption/decryption module (28), the encrypted data stored in the non-volatile memory (23c) is useless (column 14, lines 22-26).

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Schneier discloses that "special enhanced security tournament cartridges 21 may be supplied to players for advanced rounds of competitions in connection with any tournament" (column 14, lines 35-38).

Therefore, Schneier does not disclose a security module for use with a terminal, the security module including a data interface "receiving one of a part of an algorithm code and the complete algorithm code from the terminal", with a volatile memory of the security module, "storing the one of the part of the algorithm code or the complete algorithm code received via the data interface".

Schneier only discloses the use of a volatile memory as a convenient manner to alleviate the procedure of actively erasing data upon a tampering being detected. In other words, the data stored in the volatile memory (23b) of Schneier is dedicated to residing within cartridge (21) as long as power is supplied from power source (27), which is internally provided within cartridge (21). Merely a tamper event initiates an erase procedure.

Therefore, Schneier does not disclose a security module being incomplete when being external to a terminal due to the missing part of the algorithm code, or due to the absence of

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the complete algorithm code, and being "completed" merely
during terminal sessions.

As a matter of fact, Schneier does not disclose "receiving supply power from the terminal".

As seen from the above given remarks, the reference does not show a data interface adapted to be coupled to a terminal, for receiving one of part of an algorithm code and the complete algorithm code from the terminal, with the algorithm code concerning a processing of secrets, a power interface for receiving supply power from the terminal, and a volatile memory for storing the one of the part of the algorithm code and the complete algorithm code received via the data interface, as recited in claims 1, 11, 13, 14, 15, and 17 of the instant application.

It is accordingly believed to be clear that none of the references, whether taken alone or in any combination, either show or suggest the features of claim 1, 11, 13, 14, 15, or 17. Claims 1, 11, 13, 14, 15, and 17 are, therefore, believed to be patentable over the art and since all of the dependent claims are ultimately dependent on claims 1, 11, and 15, they are believed to be patentable as well.

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In view of the foregoing, reconsideration and allowance of claims 1-17 are solicited.

In the event the Examiner should still find any of the claims to be unpatentable, counsel respectfully requests a telephone call so that, if possible, patentable language can be worked out.

If an extension of time for this paper is required, petition for extension is herewith made.

Please charge any other fees which might be due with respect to Sections 1.16 and 1.17 to the Deposit Account of Lerner Greenberg Stemer LLP, No. 12-1099.

Respectfully submitted,

For Applicant (s)

August 31, 2007

Alfred K. Dassler 52,794

AKD:cgm

Lerner Greenberg Stemer LLP Post Office Box 2480 Hollywood, FL 33022-2480

Tel: (954) 925-1100 Fax: (954) 925-1101